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Kuipers Resolution Seeking Fair Competition for Furniture Manufacturing Headed to Full Senate

'Federal Prison Industries Given Unfair Advantage' says Kuipers

(LANSING) – State Sen. Wayne Kuipers, R-Holland, announced today passage of a resolution urging Congress to enact legislation that eliminates unfair advantages that Federal Prison Industries has in competition for business, particularly furniture manufacturing, in the Senate Economic Development, Small Business and Regulatory Reform Committee.

“Michigan is harmed significantly by the advantages FPI has over private manufacturers, especially within the furniture industry,” Kuipers said. “Thousands of Michigan workers have lost their jobs in recent years, and the favorable policies for FPI are major contributing factors in these job losses.”

In 1934, Federal Prison Industries (FPI) was created as a government corporation. The system operates more than 100 factories, utilizes more than 20,000 inmate workers and compiles total sales of approximately \$500 million annually from more than 150 products.

While the role that FPI plays in promoting the development of marketable skills among inmates has its merits, the operation enjoys unfair advantages compared to private sector manufacturers. Beyond the obvious wage and benefit advantages inmate workers offer, other factors that favor FPI include governmental procurement policies, including a “mandatory source” requirement that severely limits competition.

“As our economy is facing economic hardships we need to encourage the federal government to step in and help the hardworking families of West Michigan,” said Senator Bill Hardiman, R-Kentwood. “It doesn’t make sense that honest law-abiding citizens are competing with federal prison inmates for wages.”

In the past, legislation has been considered in Congress to address directly the issue of the preferential treatment afforded FPI in bidding in government contracts. Furniture manufacturers are in need of impartial policies in order to preserve jobs and to restore fairness in the marketplace.

Copies of Senate Resolution 103, which now awaits consideration from the full Senate, are being transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation and the Office of the President of the United States.